



LONGLEAF PARTNERS FUNDS®  
 (800) 445-9469  
 www.longleafpartners.com

All data as of 6/30/10

## LONGLEAF PARTNERS FUND PROFILE

Initial Public Offering:	4/8/87
Net Assets:	\$7,375 million
YTD Expense Ratio:	0.91%; No loads, 12b-1, exit or performance fees
YTD Turnover:	13.5%
Investment Suitability:	Appropriate for investors with a time horizon over 5 years
Symbol & Cusip:	LLPFX; 54306910-8
Net Asset Value:	\$23.70

## PORTFOLIO MANAGERS

Mason Hawkins, CFA  
 Southeastern since 1975

Staley Cates, CFA  
 Southeastern since 1986

## TOP TEN HOLDINGS - 20 Total Holdings in Fund

DIRECTV	satellite broadcaster	8.9%
Chesapeake Energy	natural gas exploration & production	7.3%
Dell	information technology	7.3%
Yum! Brands	franchisor/owner-Taco Bell, KFC, Pizza Hut	7.2%
Pioneer Natural Resources	oil & gas exploration & production	7.0%
Walt Disney	entertainment and broadcasting	6.2%
Cemex	cement company	5.2%
NKSJ Holdings	Japanese non-life insurance	4.7%
Aon Corporation	insurance brokerage & consulting	4.6%
The Bank of New York Mellon	securities services & asset management	4.5%
		Total 62.9%

## PORTFOLIO COMPOSITION

Equities.....	86%
Bonds.....	1%
Cash & Other .....	13%
Total	100%

## AVERAGE ANNUAL PERFORMANCE - as of 6/30/10

	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>
Longleaf Partners Fund	21.9%	(1.1)%	4.9%	10.5%
S&P 500 Index	14.4%	(0.8)%	(1.6)%	7.7%
Inflation + 10%	11.0%	12.3%	12.4%	12.6%

## PERFORMANCE - Yearly Returns

1988	35.2%	1993	22.2%	1998	14.3%	2003	34.8%	2008	(50.6)%
1989	23.3%	1994	9.0%	1999	2.2%	2004	7.1%	2009	53.6%
1990	(16.4)%	1995	27.5%	2000	20.6%	2005	3.6%		
1991	39.2%	1996	21.0%	2001	10.3%	2006	21.6%		
1992	20.5%	1997	28.3%	2002	(8.3)%	2007	(0.4)%		

Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance may be lower or higher than the performance quoted. Please call (800) 445-9469 or view Longleaf's website [www.longleafpartners.com](http://www.longleafpartners.com) for more current performance information and [www.longleafpartners.com/misc/prospectus.cfm](http://www.longleafpartners.com/misc/prospectus.cfm) for a copy of the current Prospectus and Summary Prospectus, which should be read carefully for a discussion of investment objectives, management fees, expenses, and risks. Prior to 2010, the Fund used currency hedging as an investment strategy. Fund returns and those of the unmanaged S&P 500 Index include reinvested dividends and distributions. The U.S. Bureau of Labor Statistics compiles the monthly CPI-U values used to calculate inflation. Past performance is no guarantee of future performance, fund prices fluctuate, and the value of an investment at redemption may be more or less than purchase price.

June 30, 2010

# Longleaf Partners Fund

## PHILOSOPHY

The Fund seeks to achieve superior long-term performance by acquiring equity securities of competitively entrenched, financially strong, well-managed companies run by capable managements at market prices significantly below our assessment of their business value, and selling these stocks when they approach our appraisal. We view equity investments as ownership in a business enterprise. We determine business or intrinsic value through financial analysis and established disciplines which we have consistently applied for 34 years. Equities purchased at prices substantially less than their intrinsic worth should protect capital from significant loss and should also appreciate substantially when the market ultimately recognizes corporate value.

## OBJECTIVE/POLICY STATEMENT

Longleaf Partners Fund seeks long-term capital growth by investing primarily in a limited number of mid and large cap companies believed to be significantly undervalued.

## FUND MANAGEMENT

The Fund is managed by Southeastern Asset Management, Inc.<sup>®</sup>, a Memphis based firm. Founded in 1975, the firm has 58 employees and manages over \$29 billion in assets.

## INVESTMENT PARTNERSHIP

To align employee interests with those of shareholders and prevent conflicts of interest, Southeastern's Code of Ethics requires all employees to limit their investment in publicly traded equity securities to the Longleaf Partners Funds (unless granted prior clearance.) The independent members of the Board of Trustees also must invest at least as much as their annual Trustees' fees in the Funds.

## GOVERNING PRINCIPLES

- We will treat your investment in Longleaf as if it were our own.
- We will remain significant investors with you in Longleaf.
- We will invest for the long-term, while striving to maximize returns and minimize business, financial, purchasing power, regulatory and market risks.
- We will choose our equity investments based on their discounts from our appraisal of their corporate intrinsic values, their financial strengths, their managements, their competitive positions, and our assessment of their future earnings potential.
- We will concentrate our assets in our best ideas.
- We will not impose loads, exit fees or 12b-1 charges on our investment partners.
- We will consider closing the Funds to new investors if closing would benefit existing shareholders.
- We will discourage short-term speculators and market timers from joining us, the long-term investors in Longleaf.
- We will continue our efforts to enhance shareholder services.
- We will communicate with our investment partners as candidly as possible.



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